



**COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT**

Benefits Administrator Memo #03-15

To: Benefits Administrators
From: Charles S. Reed, Associate Director
State and Local Health Benefits Programs
CC: All OHB
Date: November 19, 2003
Re: --State Retiree Health Benefits Program Premium Rate
Notification Effective January 1, 2004, for Medicare-Eligible
Participants
--General Retiree Group Information

Attached to this memo are copies of materials that are being mailed to Medicare-eligible participants in the State Retiree Health Benefits Program. In addition to Virginia Retirement System Retirees, the retiree group includes Optional Retirement Plan and Local retirees, VSDP LTD Participants, Survivors, as well as all of their Medicare-eligible dependents. Included in their packages are the following materials:

- **Memo to Retirees** – This is a summary of program information that will affect Medicare-eligible retiree group participants in 2004. Of particular interest are the new premium rates for all Medicare-coordinating plans. In addition, you will note that there are no copayment, coinsurance or benefit changes for the coming year.
- **Memo to Extended Coverage Participants** – This summary is directed to Extended Coverage participants who are in Medicare-coordinating plans.
- **Open Forum Newsletter** – This publication includes additional information directed to Medicare-eligible retiree group participants.
- **Enrollment Form** – The package includes the most up-to-date version for use by those who wish to make allowable plan or membership changes. Retiree group members may also use EmployeeDirect.
- **Member Handbook Notification(s) of Changes** – These include administrative updates for each plan.

- **Extended Coverage General Notice** – Medicare-eligible retiree group participants will be the first to receive this new notice, which includes implementation of the May 28, 2003, proposed guidelines which will become effective in 2004. (Benefits Administrators will receive more information about the new regulations in an upcoming memo.)
- **Medicare Plan Options Brochure** – Since there were no benefit changes to the Medicare-coordinating plans for 2004, a new Medicare Plan Options Brochure was not mailed to each Medicare-eligible participant. However, a 2004 version will be available at the DHRM Web site for your use.

Please take a few moments to review these materials since they include information that is useful in answering questions from active employees when they are considering retirement.

Other Retiree Group Reminders for Benefits Administrators

No Plan Change at Retirement – Please remember—effective July 1, 2003, new retirees are no longer allowed to make a plan change at retirement (refer to BA Memo #03-07). Also, a plan change is not allowed for covered non-Medicare family members upon the Medicare eligibility of another family member.

Timely Keying of Retirements – The Virginia Retirement System has indicated that they are experiencing a problem with active agencies failing to transfer new VRS retirees to the retiree group in BES when they eligible for coverage and have submitted a timely enrollment form. Please refer to the *BES Instructions Guide* if you need assistance with keying the retirement. The Guide is available at the DHRM Web site at www.dhrm.state.va.us/resources/benefitsadmin/benefitsadmintoc.html. After you have keyed the election into BES, be sure to send a copy of the enrollment form to VRS.

Retirement Cancellations/Date Changes – When an employee cancels his/her retirement request by submitting a *Request for Termination of Monthly Benefit* (VRS-7) to the Virginia Retirement System, any enrollment form for retiree health benefits is purged from their record. If you have an employee who cancels his/her retirement date by submitting the VRS-7, you must obtain a new State Retiree Health Benefits Program enrollment form at the time of the new retirement application, and that new form must be provided to VRS after the election is keyed into BES. (A new enrollment form will not be required in cases where an employee changes his/her retirement date by using the *Change to Certification for Retirement* (VRS-49) form.) In any case, the 31-day enrollment window will be enforced.

Also, if you have a new retiree who changes his/her election (e.g., reduces membership) prior to the start of his/her retiree coverage, please make the change in BES, but do not forget to send an updated enrollment form to VRS. VRS assigns premium deduction amounts based on the enrollment form, so failure to update the form could result in incorrect premium deduction or billing.

Policies Addressing Retirement from Military Leave Without Pay and Survivors of Employees on Military Leave Without Pay – Policies are attached to this memo.

Retiree Fact Sheets – Updated Retiree Fact Sheets are now available at the DHRM Web site. Please be sure to share these subject-specific retiree group resources with employees and retirees as appropriate. They may be found at www.dhrm.state.va.us/hbenefits/retiree.html under either *Members Eligible for Medicare* or *Members Not Eligible for Medicare*.

These updates include Fact Sheet #11, *VSDP/LTD Participants and the State Retiree Health Benefits Program*, which is a good resource for addressing administration of health benefits for LTD participants. We continue to see employees left in active coverage at the conclusion of their short-term disability benefits. BA Memo #02-09 is still available and contains additional information regarding the handling of transition issues from short to long term disability as they relate to the State Retiree Health Benefits Program. This memo can be found at http://www.dhrm.state.va.us/resources/benefitsadmin/num_memo/memolst02.html.

Option I and Option II Handbooks – Since these Medicare-coordinating plans are no longer available to new retiree group participants or retiree group participants who are newly eligible for Medicare, they are no longer available for ordering by Benefits Administrators. If you have a current participant who needs a new copy of one of these handbooks, they may contact Anthem at 1-800-552-2682 (from outside of Richmond) or 355-8506 (from Richmond).

Attachments:

- Retiree Group Memo
- Extended Coverage Memo
- Enrollment Form
- Open Forum Newsletter
- Extended Coverage General Notice
- Member Handbook Notifications of Changes (4)
- Medicare Plan Options Brochure
- Policies (Military Leave Without Pay Issues)

Department of Human Resource Management Office of Health Benefits

November 19, 2003

Policy: Retiree Health Benefits Coverage for Employees Retiring from Military Leave Without Pay

State employees on approved Military Leave Without Pay and who are eligible for and elect to take service retirement (not deferred) from the Virginia Retirement System (or who are eligible for and take a periodic benefit from one of the qualified Optional Retirement Plan vendors) immediately upon termination of Military Leave may enroll in the State Retiree Health Benefits Program within 60 days of their retirement date, regardless of whether they actively return to work at the end of the leave. Retiring employees must have been eligible for coverage under the State Health Benefits Program prior to the start of their leave. Enrollees must be otherwise eligible for the retiree program and adhere to all program provisions after enrollment. Medicare-eligible retirees must select a plan that coordinates with Medicare. If enrollment is not completed within 60 days of the retirement date, there will be no future opportunity to enroll.

Policy: Retiree Health Benefits Coverage for Survivors of Employees on Military Leave Without Pay

Survivors of state employees on approved Military Leave Without Pay may enroll in the State Retiree Health Benefits Program within 60 days of the date of the employee's death if they are immediately eligible for and elect to receive survivor annuity benefits from the Virginia Retirement System (VRS). The deceased employee must have been eligible for coverage under the State Health Benefits Program prior to the start of the leave. Medicare-eligible enrollees must select a plan that coordinates with Medicare.

Survivors who have continued enrollment in the state program through Extended Coverage up to the date of the employee's death may enroll in the retiree program within 60 days of the employee's death, regardless of eligibility for a VRS survivor annuity. These enrollees will maintain the same plan option, except that Medicare-eligible survivors must select a plan that coordinates with Medicare. Membership level may be reduced but not increased at the time of enrollment in the retiree group.

If enrollment is not completed within 60 days of the employee's death, there will be no future opportunity to enroll. After enrollment in the program, all other program provisions related to either annuitant or non-annuitant survivors will apply as appropriate.